

AMENDED IN SENATE NOVEMBER 2, 2009

CALIFORNIA LEGISLATURE—2009—10 SEVENTH EXTRAORDINARY SESSION

**SENATE BILL**

**No. 2**

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**Introduced by Senator Cogdill  
(Principal coauthor: Senator Hollingsworth)**

October 27, 2009

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An act to ~~add Section 13170.3 to, and to~~ add Division 26.7 (commencing with Section 79700) to the Water Code, relating to a safe drinking water and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, *to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Cogdill. Safe, Clean, and Reliable Drinking Water Supply Act of 2010: water quality control plan.

(1) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of ~~\$9,400,000,000~~ \$9,990,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

The bill would provide for the submission of the bond act to the voters at the November 2, 2010, statewide general election.

~~(2) Existing law requires the Secretary of the Natural Resources Agency to convene a committee to develop and submit to the Governor~~

and the Legislature, on or before December 31, 2008, recommendations for implementing a specified strategic plan relating to the sustainable management of the Sacramento-San Joaquin Delta.

This bill would impose requirements relating to a water quality control plan for the Bay-Delta Estuary:

(3)

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. ~~Section 13170.3 is added to the Water Code, to~~  
2 ~~read:~~  
3 13170.3. ~~(a) The United States, as operator of the federal~~  
4 ~~Central Valley Project, and the department, as operator of the State~~  
5 ~~Water Project, shall continue to operate consistently with the~~  
6 ~~agreement described in state board order WR 2001-05 so long as~~  
7 ~~required by the terms of that agreement and so long as it is in effect,~~  
8 ~~including any extensions of the agreement.~~  
9 ~~(b) If after the expiration of the agreement described in~~  
10 ~~subdivision (a) the state board revises water rights decision D-1641~~  
11 ~~or any other water rights decision allocating responsibility for~~  
12 ~~meeting flow-related objectives in a water quality control plan for~~  
13 ~~the Bay-Delta Estuary the responsibility for meeting the modified~~  
14 ~~flow-related objectives shall be based upon findings by the state~~  
15 ~~board or a court of competent jurisdiction that the exercise of the~~  
16 ~~water rights upon which the obligation is imposed is a cause of~~  
17 ~~the water quality concern or harm to the public trust or other~~  
18 ~~beneficial use that is being addressed, and the obligation to be~~  
19 ~~imposed is in proportion to the finding of causation.~~  
20 ~~(c) To the extent that the state board or a court of competent~~  
21 ~~jurisdiction imposes any obligation in accordance with subdivision~~  
22 ~~(b) based on a finding that multiple diversions each contribute~~  
23 ~~incrementally to impact fish and wildlife or any other public trust~~  
24 ~~or other beneficial uses in the Delta, the obligation imposed shall~~  
25 ~~not affect water right priorities.~~

1 ~~SEC. 2.~~

2 *SECTION 1.* Division 26.7 (commencing with Section 79700)  
3 is added to the Water Code, to read:

4  
5 DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE  
6 DRINKING WATER SUPPLY ACT OF 2010

7  
8 CHAPTER 1. SHORT TITLE

9  
10 79700. This division shall be known, and may be cited, as the  
11 Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

12  
13 CHAPTER 2. FINDINGS AND DECLARATIONS

14  
15 79701. The people of California find and declare all of the  
16 following:

17 (a) Safeguarding supplies of clean, safe drinking water to  
18 California's homes, businesses, and farms is an essential  
19 responsibility of government, and critical to protecting the quality  
20 of life for Californians.

21 (b) Every Californian should have access to clean, safe, and  
22 reliable drinking water.

23 (c) Providing adequate supplies of clean, safe, and reliable  
24 drinking water is vital to keeping California's economy growing  
25 and strong.

26 (d) Encouraging water conservation and recycling are  
27 commonsense methods to make more efficient use of existing  
28 water supplies.

29 (e) Protecting lakes, rivers, and streams from pollution, cleaning  
30 up polluted groundwater supplies, and protecting water sources  
31 that supply the entire state are crucial to providing a reliable supply  
32 of drinking water and protecting the state's natural resources.

33  
34 CHAPTER 3. DEFINITIONS

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36 79702. Unless the context otherwise requires, the definitions  
37 set forth in this section govern the construction of this division, as  
38 follows:

- 1 (a) “Bay Delta Conservation Plan” means the final plan prepared  
2 pursuant to the planning agreement regarding the Bay Delta  
3 Conservation Plan, dated October 6, 2006.
- 4 (b) “Bay-Delta Estuary” means the Delta, Suisun Bay, and  
5 Suisun Marsh.
- 6 (c) “CALFED Bay-Delta Program” means the program  
7 described in the Record of Decision dated August 28, 2000.
- 8 (d) “Commission” means the California Water Commission.
- 9 (e) “Committee” means the Safe, Clean, and Reliable Drinking  
10 Water Supply Finance Committee created by Section 79812.
- 11 (f) “Delta” means the Sacramento-San Joaquin Delta, as defined  
12 in Section 12220.
- 13 (g) “Delta conveyance facilities” means facilities that convey  
14 water directly from the Sacramento River to the State Water Project  
15 or the federal Central Valley Project pumping facilities in the south  
16 Delta.
- 17 (h) “Delta counties” means the Counties of Solano, Yolo,  
18 Sacramento, Contra Costa, and San Joaquin.
- 19 (i) “Delta Plan” has the meaning set forth in Section 85059.
- 20 (j) “Department” means the Department of Water Resources.
- 21 (k) “Director” means the Director of Water Resources.
- 22 (l) “Disadvantaged community” has the meaning set forth in  
23 subdivision (a) of Section 79505.5.
- 24 (m) “Economically distressed area” means a municipality with  
25 a population of 20,000 persons or less, a rural county, or a  
26 reasonably isolated and divisible segment of a larger municipality  
27 where the segment of the population is 20,000 persons or less,  
28 ~~with a financial hardship, as determined by the department after~~  
29 ~~considering factors including, but not limited to, median income~~  
30 ~~of the residents, rate of unemployment, and low population density.~~  
31 *with an annual median household income that is less than 85*  
32 *percent of the statewide median household income, and with one*  
33 *or more of the following conditions as determined by the*  
34 *department:*
- 35 (1) *Financial hardship.*
- 36 (2) *Unemployment rate at least 2 percent higher than the*  
37 *statewide average.*
- 38 (3) *Low population density.*
- 39 (n) “Fund” means the Safe, Clean, and Reliable Drinking Water  
40 Supply Fund of 2010 created by Section ~~79720~~ 79716.

1 (o) “Integrated regional water management plan” has the  
2 meaning set forth in Section 10534.

3 (p) “Nonprofit organization” means an organization qualified  
4 to do business in California and qualified under Section 501(c)(3)  
5 of Title 26 of the United States Code.

6 (q) “Public agency” means a state agency or department, district,  
7 joint powers authority, city, county, city and county, or other  
8 political subdivision of the state.

9 (r) “Secretary” means the Secretary of the Natural Resources  
10 Agency.

11 (s) “State General Obligation Bond Law” means the State  
12 General Obligation Bond Law (Chapter 4 (commencing with  
13 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
14 Code).

15  
16 CHAPTER 4. GENERAL PROVISIONS  
17

18 79705. An amount that equals not more than 5 percent of the  
19 funds allocated for a grant program pursuant to this division may  
20 be used to pay the administrative costs of that program.

21 79706. Up to 10 percent of funds allocated for each program  
22 funded by this division may be expended for planning and  
23 monitoring necessary for the successful design, selection, and  
24 implementation of the projects authorized under that program.  
25 This section shall not otherwise restrict funds ordinarily used by  
26 an agency for “preliminary plans,” “working drawings,” and  
27 “construction” as defined in the annual Budget Act for a capital  
28 outlay project or grant project. Water quality monitoring shall be  
29 integrated into the surface water ambient monitoring program  
30 administered by the State Water Resources Control Board.

31 79707. Chapter 3.5 (commencing with Section 11340) of Part  
32 1 of Division 3 of Title 2 of the Government Code does not apply  
33 to the development or implementation of programs or projects  
34 authorized or funded under this division other than Chapter 8  
35 (commencing with Section 79740).

36 79708. (a) Prior to disbursing grants pursuant to this division,  
37 each state agency that is required to administer a competitive grant  
38 program under this division shall develop and adopt project  
39 solicitation and evaluation guidelines. The guidelines may include  
40 a limitation on the dollar amount of grants to be awarded.

1 (b) Prior to disbursing grants, the state agency shall conduct  
2 three public meetings to consider public comments prior to  
3 finalizing the guidelines. The state agency shall publish the draft  
4 solicitation and evaluation guidelines on its Internet Web site at  
5 least 30 days before the public meetings. One meeting shall be  
6 conducted at a location in northern California, one meeting shall  
7 be conducted at a location in the central valley, and one meeting  
8 shall be conducted at a location in southern California. Upon  
9 adoption, the state agency shall transmit copies of the guidelines  
10 to the fiscal committees and the appropriate policy committees of  
11 the Legislature.

12 79709. It is the intent of the people that the investment of public  
13 funds pursuant to this division will result in public benefits.

14 79710. The State Auditor shall annually conduct a  
15 programmatic review and an audit of expenditures from the fund.  
16 The State Auditor shall report its findings annually on or before  
17 March 1 to the Governor and the Legislature, and shall make the  
18 findings available to the public.

19 79711. Funds provided by this division shall not be expended  
20 to support or pay for the costs of environmental mitigation  
21 measures or compliance obligations of any party except as part of  
22 the environmental mitigation costs of projects financed by this  
23 division *or for costs for groundwater cleanup pursuant to the*  
24 *requirements of Chapter 10 (commencing with Section 79770).*  
25 Funds provided by this division may be used for environmental  
26 enhancements or other public benefits.

27 79712. Funds provided by this division shall not be expended  
28 to pay the costs of the design, construction, operation, or  
29 maintenance of Delta conveyance facilities. Those costs shall be  
30 the responsibility of the water agencies that benefit from the design,  
31 construction, operation, or maintenance of those facilities.

32 79713. *(a) This division does not limit or otherwise affect the*  
33 *application of Sections 10505, 10505.5, 11128, 11460, 11461,*  
34 *11462, and 11463 and Sections 12200 to 12220, inclusive.*  
35 ~~However, those sections do not create any right, in areas outside~~  
36 ~~of the Sacramento River hydrologic region, to water originating~~  
37 ~~within the Sacramento River hydrologic region as a result of~~  
38 ~~facilities constructed with the proceeds of bonds issued and sold~~  
39 ~~pursuant to this division. For purposes of this section, the~~

1 ~~Sacramento River hydrologic region does not include any area~~  
2 ~~within the Delta.~~

3 *(b) For the purposes of this division, an area that utilizes water*  
4 *that has been diverted and conveyed from the Sacramento River*  
5 *hydrologic region, for use outside the Sacramento River hydrologic*  
6 *region or the Delta, shall not be deemed to be immediately adjacent*  
7 *thereto or capable of being conveniently supplied with water*  
8 *therefrom by virtue or on account of the diversion and conveyance*  
9 *of that water through facilities that may be constructed for that*  
10 *purpose after January 1, 2010.*

11 *(c) Nothing in this division supersedes, limits, or otherwise*  
12 *modifies the applicability of Chapter 10 (commencing with Section*  
13 *1700) of Part 2 of Division 2, including petitions related to any*  
14 *new conveyance constructed or operated in accordance with*  
15 *Chapter 2 (commencing with Section 85320) of Part 4 of Division*  
16 *35.*

17 *(d) Unless otherwise expressly provided, nothing in this division*  
18 *supersedes, reduces, or otherwise affects existing legal protections,*  
19 *both procedural and substantive, relating to the state board's*  
20 *regulation of diversion and use of water, including, but not limited*  
21 *to, water right priorities, the protection provided to municipal*  
22 *interests by Sections 106 and 106.5, and changes in water rights.*  
23 *Nothing in this division expands or otherwise alters the state*  
24 *board's existing authority to regulate the diversion and use of*  
25 *water or the courts' existing concurrent jurisdiction over California*  
26 *water rights.*

27 79714. Eligible applicants under this division are public  
28 agencies, nonprofit organizations, public utilities, and mutual water  
29 companies. To be eligible for funding under this division, a project  
30 proposed by a public utility that is regulated by the Public Utilities  
31 Commission or a mutual water company shall have a clear and  
32 definite public purpose and shall benefit the customers of the water  
33 system.

34 79715. The Legislature may enact legislation necessary to  
35 implement programs funded by this division, except as otherwise  
36 provided in Section 79749.5.



1 (e) The department shall require a cost share of not less than  
2 50 percent of total project costs from nonstate sources. The  
3 department may waive or reduce the cost-sharing requirement for  
4 projects that directly benefit disadvantaged communities or  
5 economically distressed areas.

6 79720.2. From the funds described in Section 79720, the sum  
7 of ninety million dollars (\$90,000,000) shall be available, upon  
8 appropriation by the Legislature from the fund, for grants to  
9 disadvantaged communities and economically distressed areas  
10 experiencing economic impacts from drought for drought relief  
11 projects and programs.

12 79720.3. From the funds described in Section 79720, the sum  
13 of seventy-five million dollars (\$75,000,000) shall be available,  
14 upon appropriation by the Legislature from the fund, to the State  
15 Water Resources Control Board for grants for small community  
16 wastewater treatment projects, to protect water quality, that meet  
17 all of the following criteria:

18 (a) The project is for the planning, design, permitting,  
19 construction, or improvement of a wastewater treatment facility,  
20 sewer system, or related infrastructure necessary to meet water  
21 quality standards or prevent contamination of surface water or  
22 groundwater resources.

23 (b) The project will serve a community with a population of  
24 20,000 or less.

25 (c) The project meets other standards that may be established  
26 by the State Water Resources Control Board with respect to the  
27 design, construction, financing, and operation of the project.

28 79720.4. (a) From the funds described in Section 79720, eighty  
29 million dollars (\$80,000,000) shall be available for deposit into  
30 the Safe Drinking Water State Revolving Fund created pursuant  
31 to Section 116760.30 of the Health and Safety Code.

32 (b) From the funds described in this section, up to eight million  
33 dollars (\$8,000,000) shall be made available for grants for projects  
34 within the City of Maywood that design and implement water  
35 supply infrastructure upgrades that provide for safe drinking water.

36 79720.6. From the funds described in Section 79720, the sum  
37 of twenty million dollars (\$20,000,000) shall be available for water  
38 quality and public health projects on the New River.

## CHAPTER 6. WATER SUPPLY RELIABILITY

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79721. The sum of one billion ~~one hundred million dollars~~ *fifty million dollars* (\$1,100,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for competitive grants and expenditures in accordance with Section 79722.

79722. (a) Except as provided in subdivision (f), the department shall award grants to eligible projects that implement an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to Section 79721 until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under this chapter, the department shall require a local cost share of not less than 50 percent of the total costs of the project. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Eligible projects are those included in adopted integrated regional water management plans consistent with Part 2.2 (commencing with Section 10530) of Division 6, *including, but not limited to, local and regional surface water storage projects.*

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. *For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta.*

1 *For purposes of this subdivision, the Mountain Counties Overlay*  
2 *is not eligible for funds from the Sacramento River hydrologic*  
3 *region or the San Joaquin River hydrologic region. The department*  
4 *may recognize multiple integrated regional water management*  
5 *plans in each of the areas allocated funding. Funds made available*  
6 *by this chapter shall be allocated as follows:*

- 7 ~~(1) North Coast: \$64,000,000.~~
- 8 ~~(2) San Francisco Bay: \$89,000,000.~~
- 9 ~~(3) Central Coast: \$68,000,000.~~
- 10 ~~(4) Los Angeles subregion: \$110,000,000.~~
- 11 ~~(5) Santa Ana subregion: \$88,000,000.~~
- 12 ~~(6) San Diego subregion: \$76,000,000.~~
- 13 ~~(7) Sacramento River: \$73,000,000.~~
- 14 ~~(8) San Joaquin River: \$69,000,000.~~
- 15 ~~(9) Tulare/Kern: \$71,000,000.~~
- 16 ~~(10) North/South Lahontan: \$65,000,000.~~
- 17 ~~(11) Colorado River Basin: \$64,000,000.~~
- 18 ~~(12) Mountain Counties Overlay: \$63,000,000.~~
- 19 ~~(13) Interregional: \$200,000,000.~~
- 20 *(1) North Coast: \$45,000,000.*
- 21 *(2) San Francisco Bay: \$132,000,000.*
- 22 *(3) Central Coast: \$58,000,000.*
- 23 *(4) Los Angeles subregion: \$198,000,000.*
- 24 *(5) Santa Ana subregion: \$128,000,000.*
- 25 *(6) San Diego subregion: \$87,000,000.*
- 26 *(7) Sacramento River: \$76,000,000.*
- 27 *(8) San Joaquin River: \$64,000,000.*
- 28 *(9) Tulare/Kern: \$70,000,000.*
- 29 *(10) North/South Lahontan: \$51,000,000.*
- 30 *(11) Colorado River Basin: \$47,000,000.*
- 31 *(12) Mountain Counties Overlay: \$44,000,000.*
- 32 *(13) Interregional: \$50,000,000.*

33 (f) Interregional funds may be expended directly or granted by  
34 the department to address multiregional needs or state priorities,  
35 including, but not limited to, any of the following:

- 36 (1) Investing in new water technology development and  
37 deployment.
- 38 (2) Meeting state water recycling and water conservation goals.
- 39 (3) Adapting to climate change impacts.
- 40 (4) Reducing contributions to climate change.

1 (5) Other projects to improve statewide water management  
2 systems.

3 (6) Other projects and activities designed to meet the needs of  
4 disadvantaged communities or economically distressed areas  
5 including technical and grant writing assistance.

6 ~~(7) Fifty million dollars (\$50,000,000) of the interregional funds~~  
7 ~~shall be available for costs incurred in connection with recreation~~  
8 ~~and fish and wildlife enhancement at State Water Project facilities.~~  
9 ~~The funds shall be available to meet the costs associated with~~  
10 ~~planning, construction, operation, and maintenance for recreation~~  
11 ~~and fish and wildlife enhancement.~~

12 79723. (a) The sum of ~~four hundred million dollars~~  
13 ~~(\$400,000,000)~~ *three hundred fifty million dollars (\$350,000,000)*  
14 shall be available, upon appropriation by the Legislature, from the  
15 fund to the department for grants and expenditures for the planning,  
16 design, and construction of local and regional conveyance projects  
17 that support regional and interregional connectivity and water  
18 management. Projects shall be consistent with an adopted  
19 integrated regional water management plan and shall provide one  
20 or more of the following benefits:

21 (1) Improvements in regional or interregional water supply and  
22 water supply reliability.

23 (2) Mitigation of conditions of groundwater overdraft, saline  
24 water intrusion, water quality degradation, or subsidence.

25 (3) Adaptation to the impacts of hydrologic changes.

26 (4) Improved water security from drought, natural disasters, or  
27 other events that could interrupt imported water supplies.

28 (5) Providing safe drinking water for disadvantaged communities  
29 and economically distressed areas.

30 (b) Not more than 10 percent of the funds provided by this  
31 section shall be available for planning, investigations, studies, and  
32 monitoring.

33 (c) The department shall require a cost share of not less than 50  
34 percent of total project costs from nonstate sources. The department  
35 may waive or reduce the cost share requirement for projects that  
36 directly benefit disadvantaged communities or economically  
37 distressed areas.

38 ~~79724. (a) The sum of four hundred million dollars~~  
39 ~~(\$400,000,000) shall be available, upon appropriation by the~~  
40 ~~Legislature from the fund, to the department for grants and direct~~

1 expenditures for the planning, design, and construction of local  
2 and regional drought relief projects that reduce the impacts of  
3 drought conditions, including, but not limited to, the impacts of  
4 reductions in Delta diversions. Projects shall be consistent with  
5 an adopted integrated regional water management plan and include  
6 any of the following types of projects:

7 (1) ~~Water conservation and efficiency projects, including~~  
8 ~~installation of water efficiency fixtures.~~

9 (2) ~~Water recycling and related infrastructure.~~

10 (3) ~~Stormwater capture.~~

11 (4) ~~Groundwater cleanup.~~

12 (5) ~~Local and regional conveyance projects that improve~~  
13 ~~connectivity and water management.~~

14 (6) ~~Other local and regional water supply reliability projects.~~

15 (b) ~~Projects funded pursuant to this section shall meet both of~~  
16 ~~the following conditions:~~

17 (1) ~~The project shall provide a sustainable water supply that~~  
18 ~~does not contribute to groundwater overdraft or increase surface~~  
19 ~~water diversions.~~

20 (2) ~~The project shall be capable of being operational within two~~  
21 ~~years of receiving the grant.~~

22 (e) ~~Preference shall be given to applicants that can demonstrate~~  
23 ~~substantial past and current investments in conservation and local~~  
24 ~~water projects.~~

25 (d) ~~Not more than 10 percent of the funds provided by this~~  
26 ~~section shall be available for planning, investigations, studies, and~~  
27 ~~monitoring.~~

28 (e) ~~The department shall require a cost share of not less than 50~~  
29 ~~percent of total project costs from nonstate sources. The department~~  
30 ~~may waive or reduce the cost share requirement for projects that~~  
31 ~~directly benefit disadvantaged communities or economically~~  
32 ~~distressed areas.~~

33 (f) ~~Of the funds provided in this section, not less than fifty~~  
34 ~~million dollars (\$50,000,000) shall be available for grants to~~  
35 ~~disadvantaged communities and economically distressed areas~~  
36 ~~experiencing economic impacts from drought and from disruptions~~  
37 ~~in delivery from the State Water Project and the federal Central~~  
38 ~~Valley Project.~~

## CHAPTER 7. DELTA SUSTAINABILITY

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3 79730. (a) The Bay-Delta Estuary is a unique and irreplaceable  
4 combination of environmental and economic resources. Current  
5 management and use of the Delta is not sustainable, and results in  
6 a high level of conflict among various interests. Future Delta  
7 sustainability is threatened by changing hydrology due to climate  
8 change, water diversions, flood risk, seismic events, nonnative  
9 species, toxics, and other environmental problems. Future  
10 management of the Delta must improve Delta ecosystem health  
11 and improve the means of Delta water conveyance in order to  
12 protect drinking water quality, improve water supply reliability,  
13 restore ecosystem health, and preserve agricultural and recreational  
14 values in the Delta, while providing to counties and watersheds of  
15 origin assurances that their priority to water resources will be  
16 protected and that programs or facilities implemented or  
17 constructed in the Delta will not result in redirection of  
18 unmitigated, significant adverse impacts to the counties and  
19 watershed of origin. Many sources of funding will be needed to  
20 implement improved Delta management.

21 (b) This chapter provides state funding for public benefits  
22 associated with projects needed to assist in the Delta's  
23 sustainability as a vital resource for fish, wildlife, water quality,  
24 water supply, agriculture, and recreation.

25 79731. The sum of two billion ~~dollars (\$2,000,000,000)~~ *two*  
26 *hundred fifty million dollars (\$2,250,000,000)* shall be available,  
27 upon appropriation from the fund, for grants and direct  
28 expenditures, as follows:

29 (a) (1) ~~Five hundred million dollars (\$500,000,000)~~ *Seven*  
30 *hundred fifty million dollars (\$750,000,000)* for projects, including  
31 grants to Delta counties and cities within the Delta, that provide  
32 public benefits and support Delta sustainability options, including  
33 projects and supporting scientific studies and assessments that do  
34 any of the following:

35 (A) Ensure that urban and agricultural water supplies derived  
36 from the Delta, including water supplies used within the Delta, are  
37 not disrupted because of catastrophic failures of Delta levees  
38 resulting from earthquakes, floods, land sinking, rising ocean  
39 levels, or other forces.

1 (B) Assist in preserving economically viable and sustainable  
2 agriculture and other economic activities in the Delta.

3 (C) Improve the quality of drinking water derived from the  
4 Delta.

5 (D) Improve levee and flood control facilities and other vital  
6 infrastructure necessary to protect Delta communities affected by  
7 the implementation of this chapter.

8 (E) Provide physical improvements or other actions to create  
9 water flow and water quality conditions within the Delta to provide  
10 adequate habitat for native fish and wildlife.

11 (F) Facilitate other projects that provide public benefits and  
12 support Delta sustainability options approved by the Legislature,  
13 including costs associated with planning, monitoring, and design  
14 of alternatives, and project modifications and adaptations necessary  
15 to achieve the goals of this chapter.

16 (G) Mitigate other impacts of water conveyance and ecosystem  
17 restoration.

18 (H) Provide or improve water quality facilities and other  
19 infrastructure.

20 (2) Of the funds provided in this subdivision, not less than fifty  
21 million dollars (\$50,000,000) shall be available for matching grants  
22 for improvements to wastewater treatment facilities upstream of  
23 the Delta to improve Delta water quality.

24 (3) *Of the funds provided in this subdivision, up to two hundred*  
25 *fifty million dollars (\$250,000,000) may be expended in the Delta*  
26 *to provide assistance to local governments and the local*  
27 *agricultural economy due to loss of productive agricultural lands*  
28 *for habitat and ecosystem restoration within the Delta.*

29 (b) One billion five hundred million dollars (\$1,500,000,000)  
30 for projects to protect and enhance the sustainability of the Delta  
31 ecosystem, including any of the following:

32 (1) Projects for the development and implementation of the Bay  
33 Delta Conservation Plan, consistent with Chapter 10 (commencing  
34 with Section 2800) of Division 3 of the Fish and Game Code. The  
35 projects shall be implemented through a cooperative effort among  
36 regulatory agencies, regulated and potentially regulated entities,  
37 and affected parties, including state and federal water contractors.  
38 These funds may be expended for the preparation of environmental  
39 documentation and environmental compliance.

1 (2) Other projects to protect and restore native fish and wildlife  
2 dependent on the Delta ecosystem, including the acquisition of  
3 water rights and the removal or reduction of undesirable invasive  
4 species.

5 (3) Projects to reduce greenhouse gas emissions from exposed  
6 Delta soils.

7 (4) Projects that reduce impacts of mercury contamination of  
8 the Delta and its watersheds, and remediation and elimination of  
9 continuing sources of mercury contamination.

10 (5) Scientific studies and assessments that support the projects  
11 authorized under this section.

12 (c) Funds provided by this chapter shall be available for  
13 appropriation to, among other entities, the Sacramento-San Joaquin  
14 Delta Conservancy for implementation consistent with the Delta  
15 Plan.

16 79732. (a) A project that receives funding pursuant to  
17 subdivision (a) of Section 79731 shall only be eligible for funding  
18 pursuant to other provisions of this division to the extent that the  
19 combined state funding pursuant to this division does not exceed  
20 50 percent of the total project costs.

21 (b) The department shall determine what constitutes a project  
22 for the purposes of subdivision (a).

23

24 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL  
25 IMPROVEMENT

26

27 79740. (a) Notwithstanding Section 162, the commission may  
28 make the determinations, findings, and recommendations required  
29 of it by this chapter independent of the views of the director. All  
30 final actions by the commission in implementing this chapter shall  
31 be taken by a majority of the members of the commission at a  
32 public meeting noticed and held pursuant to the Bagley-Keene  
33 Open Meeting Act (Article 9 (commencing with Section 11120)  
34 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
35 Code).

36 (b) Notwithstanding Section 13340 of the Government Code,  
37 the sum of three billion dollars (\$3,000,000,000) is hereby  
38 continuously appropriated from the fund, without regard to fiscal  
39 years, to the commission for public benefits associated with water  
40 storage projects that improve the operation of the state water

1 system, are cost effective, and provide a net improvement in  
2 ecosystem and water quality conditions, in accordance with this  
3 chapter. Funds authorized for, or made available to, the commission  
4 pursuant to this chapter shall be available and expended only for  
5 the purposes provided in this chapter, and shall not be subject to  
6 appropriation or transfer by the Legislature or the Governor for  
7 any other purpose.

8 (c) Projects shall be selected by the commission through a  
9 competitive public process that ranks potential projects based on  
10 the expected return for public investment as measured by the  
11 magnitude of the public benefits provided, pursuant to criteria  
12 established under this chapter.

13 (d) Any project constructed with funds provided by this chapter  
14 shall be subject to Section 11590.

15 79741. Projects for which the public benefits are eligible for  
16 funding under this chapter consist of only the following:

17 (a) Surface storage projects identified in the CALFED Bay-Delta  
18 Program Record of Decision, dated August 28, 2000, *except for*  
19 *projects prohibited by Chapter 1.4 (commencing with Section*  
20 *5093.50) of Division 5 of the Public Resources Code.*

21 (b) Groundwater storage projects and groundwater  
22 contamination prevention or remediation projects that provide  
23 water storage benefits.

24 (c) Conjunctive use and reservoir reoperation projects.

25 (d) Local and regional surface storage projects that improve the  
26 operation of water systems in the state and provide public benefits.

27 79742. A project shall not be funded pursuant to this chapter  
28 unless it provides measurable improvements to the Delta ecosystem  
29 or to the tributaries to the Delta.

30 79743. (a) Funds allocated pursuant to this chapter may be  
31 expended solely for the following public benefits associated with  
32 water storage projects:

33 (1) Ecosystem improvements, including changing the timing of  
34 water diversions, improvement in flow conditions, temperature,  
35 or other benefits that contribute to restoration of aquatic ecosystems  
36 and native fish and wildlife, including those ecosystems and fish  
37 and wildlife in the Delta.

38 (2) Water quality improvements in the Delta, or in other river  
39 systems, that provide significant public trust resources, or that  
40 clean up and restore groundwater resources.

1 (3) Flood control benefits, including, but not limited to, increases  
2 in flood reservation space in existing reservoirs by exchange for  
3 existing or increased water storage capacity in response to the  
4 effects of changing hydrology and decreasing snow pack on  
5 California's water and flood management system.

6 (4) Emergency response, including, but not limited to, securing  
7 emergency water supplies and flows for dilution and salinity  
8 repulsion following a natural disaster or act of terrorism.

9 (5) Recreational purposes, including, but not limited to, those  
10 recreational pursuits generally associated with the outdoors.

11 ~~(b) For the purposes of this chapter, "public benefits" does not~~  
12 ~~include the costs of environmental mitigation measures or~~  
13 ~~compliance obligations established prior to the enactment of this~~  
14 ~~division under state or federal law.~~

15 *(b) Funds shall not be expended pursuant to this chapter for*  
16 *the costs of environmental mitigation measures or compliance*  
17 *obligations except for those associated with providing the public*  
18 *benefits as described in Section 79743.*

19 79744. In consultation with the Department of Fish and Game,  
20 the State Water Resources Control Board, and the department, the  
21 commission shall develop and adopt, by regulation, methods for  
22 quantification and management of public benefits described in  
23 Section 79743 by December 15, 2012. The regulations shall include  
24 the priorities and relative environmental value of ecosystem  
25 benefits as provided by the Department of Fish and Game and the  
26 priorities and relative environmental value of water quality benefits  
27 as provided by the State Water Resources Control Board.

28 79745. (a) Except as provided in subdivision (c), no funds  
29 allocated pursuant to this chapter may be allocated for a project  
30 before December 15, 2012, and until the commission approves the  
31 project based on the commission's determination that all of the  
32 following have occurred:

33 (1) The commission has adopted the regulations specified in  
34 Section 79744 and specifically quantified and made public the cost  
35 of the public benefits associated with the project.

36 (2) The department has entered into a contract with each party  
37 that will derive benefits, other than public benefits, as defined in  
38 Section 79743, from the project that ensures the party will pay its  
39 share of the total costs of the project. The benefits available to a

1 party shall be consistent with that party's share of total project  
2 costs.

3 (3) The department has entered into a contract with each public  
4 agency identified in Section 79744 that administers the public  
5 benefits, after that agency makes a finding that the public benefits  
6 of the project for which that agency is responsible meet all the  
7 requirements of this chapter, to ensure that the public contribution  
8 of funds pursuant to this chapter achieves the public benefits  
9 identified for the project.

10 (4) The commission has held a public hearing for the purposes  
11 of providing an opportunity for the public to review and comment  
12 on the information required to be prepared pursuant to this  
13 subdivision.

14 (5) All of the following additional conditions are met:

15 (A) Feasibility studies have been completed.

16 (B) The commission has found and determined that the project  
17 is feasible, is consistent with all applicable laws and regulations,  
18 and will advance the long-term objectives of restoring ecological  
19 health and improving water management for beneficial uses of the  
20 Delta.

21 (C) All environmental documentation associated with the project  
22 has been completed, and all other federal, state, and local approvals,  
23 certifications, and agreements required to be completed have been  
24 obtained.

25 (b) The commission shall submit to the Legislature its findings  
26 for each of the criteria identified in subdivision (a) for a project  
27 funded pursuant to this chapter.

28 (c) Notwithstanding subdivision (a), funds may be made  
29 available under this chapter for the completion of environmental  
30 documentation and permitting of a project.

31 79746. (a) The public benefit cost share of a project funded  
32 pursuant to this chapter, other than a project described in  
33 subdivision (c) of Section 79741, may not exceed 50 percent of  
34 the total costs of any project funded under this chapter.

35 (b) No project may be funded unless it provides ecosystem  
36 improvements as described in paragraph (1) of subdivision (a) of  
37 Section 79743 that are at least 50 percent of total public benefits  
38 of the project funded under this chapter.

1 79747. (a) A project is not eligible for funding under this  
2 chapter unless, by January 1, 2018, all of the following conditions  
3 are met:

4 (1) All feasibility studies are complete and draft environmental  
5 documentation is available for public review.

6 (2) The commission makes a finding that the project is feasible,  
7 and will advance the long-term objectives of restoring ecological  
8 health and improving water management for beneficial uses of the  
9 Delta.

10 (3) The director receives commitments for not less than 75  
11 percent of the nonpublic benefit cost share of the project.

12 (b) If compliance with subdivision (a) is delayed by litigation  
13 or failure to promulgate regulations, the date in subdivision (a)  
14 shall be extended by the commission for a time period that is equal  
15 to the time period of the delay, and funding under this chapter that  
16 has been dedicated to the project shall be encumbered until the  
17 time at which the litigation is completed or the regulations have  
18 been promulgated.

19 79748. Surface storage projects funded pursuant to this chapter  
20 and described in subdivision (a) of Section 79741 may be made a  
21 unit of the Central Valley Project as provided in Section 11290  
22 and may be financed, acquired, constructed, operated, and  
23 maintained pursuant to Part 3 (commencing with Section 11100)  
24 of Division 6.

25 79749. (a) The funds allocated for the design, acquisition, and  
26 construction of surface storage projects identified in the CALFED  
27 Bay-Delta Record of Decision, dated August 28, 2000, pursuant  
28 to this chapter may be provided for those purposes to local joint  
29 powers authorities formed by irrigation districts and other local  
30 water districts and local governments within the applicable  
31 hydrologic region to design, acquire, and construct those projects.

32 (b) The joint powers authorities described in subdivision (a)  
33 may include in their membership governmental and  
34 nongovernmental partners that are not located within their  
35 respective hydrologic regions in financing the surface storage  
36 projects, including, as appropriate, cost share participation or equity  
37 participation. The department shall be an ex-officio member of  
38 each joint powers authority subject to this section, but the  
39 department shall not control the governance, management, or  
40 operation of the surface water storage projects.

1 (c) A joint powers authority subject to this section shall own,  
2 govern, manage, and operate a surface water storage project,  
3 subject to the requirement that the ownership, governance,  
4 management, and operation of the surface water storage project  
5 shall advance the purposes set forth in this chapter.

6 79749.5. (a) In approving the Safe, Clean, and Reliable  
7 Drinking Water Supply Act of 2010, the people were informed  
8 and hereby declare that the provisions of this chapter are necessary,  
9 integral, and essential to meeting the single object or work of the  
10 Safe, Clean, and Reliable Drinking Water Supply Act of 2010. As  
11 such, any amendment of the provisions of this chapter by the  
12 Legislature without voter approval would frustrate the scheme and  
13 design that induced voter approval of this act. The people therefore  
14 find and declare that any amendment of the provisions of this  
15 chapter by the Legislature shall require a vote of two-thirds of the  
16 membership in each house of the Legislature and voter approval.

17 (b) This section shall not govern or be used as authority for  
18 determining whether the amendment of any other provision of this  
19 act not contained in this chapter would constitute a substantial  
20 change in the scheme and design of this act requiring voter  
21 approval.

22  
23 CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION  
24

25 79750. The sum of one billion ~~five hundred million dollars~~  
26 ~~(\$1,500,000,000)~~ *seven hundred thirty-five million dollars*  
27 *(\$1,735,000,000)* shall be available, upon appropriation by the  
28 Legislature from the fund, in accordance with this chapter, for  
29 expenditures and grants for ecosystem and watershed protection  
30 and restoration projects, including, but not limited to, all of the  
31 following watersheds:

- 32 (a) The San Joaquin River watershed.
- 33 (b) The Kern River and Tulare Basin watersheds.
- 34 (c) The Salton Sea and Colorado River watersheds.
- 35 (d) The Los Angeles River watershed.
- 36 (e) The San Gabriel River watershed.
- 37 (f) The Santa Ana River watershed.
- 38 (g) The Klamath River watershed, including the Trinity, Scott,  
39 and Shasta Rivers and watersheds.
- 40 (h) The North Coast watersheds.

- 1 (i) The San Francisco Bay watersheds.
  - 2 (j) The Central Coast watersheds.
  - 3 (k) The South Coast watersheds.
  - 4 (l) The Lake Tahoe Basin watershed.
  - 5 (m) The Sacramento River watershed, including the Yolo
  - 6 Bypass.
  - 7 (n) The San Diego County coastal watersheds.
  - 8 (o) The Ventura River watershed.
  - 9 (p) The Sierra Nevada Mountain watersheds.
  - 10 (q) The Mojave River watershed.
  - 11 (r) The Owens River watershed.
  - 12 (s) The Santa Monica Bay watershed.
  - 13 (t) The watersheds of Marin County.
  - 14 (u) The watersheds of Orange County.
- 15 79751. Funds provided under this chapter may be appropriated
- 16 to the Natural Resources Agency, the Department of Fish and
- 17 Game, the Wildlife Conservation Board, the California
- 18 Conservation Corps, the Department of Conservation, the
- 19 Department of Parks and Recreation, the Department of Forestry
- 20 and Fire Protection, or to state conservancies for expenditures and
- 21 grants consistent with this chapter and other applicable laws.
- 22 79752. (a) Funds provided for the Sacramento River and San
- 23 Joaquin River watersheds under Section 79750 shall be available
- 24 for projects consistent with the ecosystem restoration program
- 25 element of the California Bay-Delta Program, or its successor, or
- 26 the San Joaquin River Parkway Master Plan.
- 27 (b) Funds provided for Salton Sea watershed projects under
- 28 Section 79750 shall be *appropriated to the Natural Resources*
- 29 *Agency and shall be* available for Salton Sea restoration activities
- 30 identified for “Period I” in the Natural Resources Agency report
- 31 entitled “Salton Sea Ecosystem Restoration Program Preferred
- 32 Alternative Report and Funding Plan,” dated May 2007.
- 33 (c) Funds provided for the Lake Tahoe Basin watershed under
- 34 Section 79750 shall be available for projects consistent with the
- 35 Lake Tahoe Environmental Improvement Program.
- 36 (d) Funds provided for the Los Angeles River and San Gabriel
- 37 River watersheds under Section 79750 shall be available pursuant
- 38 to Section 79508, and for projects identified in the Los Angeles
- 39 River Revitalization Master Plan.

1 ~~79753. (a) Of the funds made available pursuant to Section~~  
2 ~~79750, the sum of sixty-five million dollars (\$65,000,000) shall~~  
3 ~~be available, upon appropriation by the Legislature from the fund,~~  
4 ~~to the Department of Fish and Game for expenditures and grants~~  
5 ~~to protect the Delta ecosystem and the state's water supply from~~  
6 ~~invasive species, including, but not limited to, asiatic clams, zebra~~  
7 ~~mussels, quagga mussels, and New Zealand mud snails.~~

8 ~~(b) At least thirty-five million dollars (\$35,000,000) of the funds~~  
9 ~~allocated pursuant to subdivision (a) shall be available for grants~~  
10 ~~to public agencies, including water agencies, to pay for capital~~  
11 ~~expenditures associated with the control of invasive species,~~  
12 ~~including, but not limited to, chlorination facilities, habitat~~  
13 ~~modifications, and monitoring equipment. The Department of Fish~~  
14 ~~and Game shall administer this grant program.~~

15 ~~(c) The Legislature, by statute, shall establish requirements for~~  
16 ~~both of the following:~~

17 ~~(1) Repayment of grant funds made available pursuant to this~~  
18 ~~section in the event of cost recovery from parties responsible for~~  
19 ~~the introduction of invasive species that affect the Delta ecosystem~~  
20 ~~and the state's water supply.~~

21 ~~(2) Recipients of grants to make reasonable efforts to recover~~  
22 ~~costs from parties described in paragraph (1).~~

23 ~~79754. For restoration and ecosystem protection projects under~~  
24 ~~this chapter, the services of the California Conservation Corps or~~  
25 ~~community conservation corps shall be used whenever feasible.~~

26 ~~79755. (a) Of the funds provided in Section 79750, not less~~  
27 ~~than two hundred million dollars (\$200,000,000) shall be available~~  
28 ~~to the State Coastal Conservancy for projects within coastal~~  
29 ~~counties and coastal watersheds. Of this amount, not less than~~  
30 ~~twenty million dollars (\$20,000,000) shall be available for grants~~  
31 ~~in San Diego County, including grants to the San Diego River~~  
32 ~~Conservancy, and not less than twenty million dollars~~  
33 ~~(\$20,000,000) shall be available for the Santa Ana River Parkway.~~

34 ~~79755. (a) Of the funds provided in Section 79750, not less~~  
35 ~~than two hundred fifty million dollars (\$250,000,000) shall be~~  
36 ~~available to the State Coastal Conservancy for projects within~~  
37 ~~coastal counties and coastal watersheds. Of this amount, not less~~  
38 ~~than forty million dollars (\$40,000,000) shall be available for~~  
39 ~~grants in San Diego County, including not less than twenty million~~  
40 ~~dollars (\$20,000,000) in grants to the San Diego River~~

1 *Conservancy, not less than forty million dollars (\$40,000,000)*  
2 *shall be available for the Santa Ana River Parkway, and not less*  
3 *than twenty million dollars (\$20,000,000) shall be available for*  
4 *grants for protection and restoration of the Bolsa Chica wetlands*  
5 *and adjacent uplands and for associated visitor and interpretive*  
6 *natural history or archeological facilities.*

7 (b) Of the funds provided in Section 79750, not less than ~~twenty~~  
8 ~~million dollars (\$20,000,000)~~ *one hundred million dollars*  
9 *(\$100,000,000) shall be available to the Wildlife Conservation*  
10 *Board for direct expenditures or grants for the acquisition of water*  
11 *rights from willing sellers and the conveyance of water for the*  
12 *benefit of migratory birds on wildlife refuges and wildlife habitat*  
13 *areas subject to Section 3406(d) of the federal Central Valley*  
14 *Project Improvement Act (Public Law 102-575), if the acquisition*  
15 *of water rights by the Wildlife Conservation Board is consistent*  
16 *with that federal act. All costs associated with the acquisition of*  
17 *water rights by the Wildlife Conservation Board for the purposes*  
18 *set forth under this section shall be paid out of the funds designated*  
19 *for the Wildlife Conservation Board.*

20 (c) Of the funds provided in Section 79750, not less than ~~one~~  
21 ~~hundred million dollars (\$100,000,000)~~ *two hundred fifteen million*  
22 *dollars (\$215,000,000) shall be available to the Wildlife*  
23 *Conservation Board for direct expenditures or grants for the*  
24 *protection or restoration of watershed lands or rivers and streams*  
25 *that support species listed as threatened or endangered under state*  
26 *or federal law, consistent with the requirements of programs*  
27 *identified in Division 2 (commencing with Section 700) of the*  
28 *Fish and Game Code, and requirements to implement or develop*  
29 *a natural community conservation plan pursuant to Chapter 10*  
30 *(commencing with Section 2800) of Division 3 of the Fish and*  
31 *Game Code. Of the funds provided in this section, the sum of*  
32 *twenty-five million dollars (\$25,000,000) shall be available to the*  
33 *San Joaquin River Conservancy for river parkway projects. Of the*  
34 *funds provided in this subdivision, not less than twenty million*  
35 *dollars (\$20,000,000) shall be available for watershed protection*  
36 *projects that reduce the fragmentation of habitats by promoting*  
37 *the linkage of existing public lands in Ventura County. In order*  
38 *to ensure programmatic consistency with ongoing state*  
39 *conservancy programs, any project financed pursuant to this*  
40 *paragraph within the jurisdiction of any conservancy, shall be*

1 upon application of, and by grant to, that respective conservancy.  
2 The conservancy may apply on behalf of a local agency, and in  
3 that case, the board may make the grant award directly to that  
4 local agency.

5 ~~(d) Of the funds provided in Section 79750, not less than~~  
6 ~~seventy-five million dollars (\$75,000,000) shall be available for~~  
7 ~~the purposes described in subdivision (d) of Section 79752.~~

8 ~~(e) Of the funds provided in Section 79750, not less than ten~~  
9 ~~million dollars (\$10,000,000) shall be available to the Baldwin~~  
10 ~~Hills Conservancy.~~

11 ~~(f) Of the funds provided in Section 79750, not less than fifteen~~  
12 ~~million dollars (\$15,000,000) shall be available for Santa Monica~~  
13 ~~Bay watershed projects pursuant to Division 23 (commencing with~~  
14 ~~Section 33000) of the Public Resources Code.~~

15 ~~(g) Of the funds provided in Section 79750, not less than fifty~~  
16 ~~million dollars (\$50,000,000) to the State Coastal Conservancy~~  
17 ~~for coastal salmon restoration projects.~~

18 ~~(h) Of the funds provided in Section 79750, not less than one~~  
19 ~~hundred million dollars (\$100,000,000) to the Lake Tahoe~~  
20 ~~Conservancy for the Lake Tahoe Environmental Improvement~~  
21 ~~Program as described in subdivision (c) of Section 79752.~~

22 ~~(i) Of the funds provided in Section 79750, not less than~~  
23 ~~seventy-five million dollars (\$75,000,000) shall be available to~~  
24 ~~the Sierra Nevada Conservancy for grants, loans, direct~~  
25 ~~expenditures, and other purposes and projects consistent with the~~  
26 ~~mission and laws governing the conservancy, including, but not~~  
27 ~~limited to, physical projects, projects for the provision of public~~  
28 ~~access, educational and interpretive activities, projects to improve~~  
29 ~~community sustainability and institutional infrastructure, planning,~~  
30 ~~including collaborative public processes, monitoring, and research~~  
31 ~~activities.~~

32 ~~(j) Of the funds provided in Section 79750, not less than~~  
33 ~~seventy-five million (\$75,000,000) shall be available for the~~  
34 ~~purposes described in subdivision (b) of Section 79752.~~

35 ~~(d) Of the funds provided in Section 79750, seventy-five million~~  
36 ~~dollars (\$75,000,000) shall be available to the San Gabriel and~~  
37 ~~Lower Los Angeles Rivers and Mountains Conservancy for the~~  
38 ~~purposes described in subdivision (d) of Section 79752.~~

39 ~~(e) Of the funds provided in Section 79750, seventy-five million~~  
40 ~~dollars (\$75,000,000) shall be available to the Santa Monica~~

1 *Mountains Conservancy for implementation of watershed*  
2 *protection activities throughout the watershed of the upper Los*  
3 *Angeles River.*

4 *(f) Of the funds provided in Section 79750, twenty million dollars*  
5 *(\$20,000,000) shall be available to the Baldwin Hills Conservancy.*

6 *(g) Of the funds provided in Section 79750, twenty-five million*  
7 *dollars (\$25,000,000) shall be available for Santa Monica Bay*  
8 *watershed projects pursuant to Division 23 (commencing with*  
9 *Section 33000) of the Public Resources Code.*

10 *(h) Of the funds provided in Section 79750, fifty million dollars*  
11 *(\$50,000,000) shall be available to the State Coastal Conservancy*  
12 *for coastal salmonid restoration projects.*

13 *(i) Of the funds provided in Section 79750, one hundred million*  
14 *dollars (\$100,000,000) shall be available to the Lake Tahoe*  
15 *Conservancy for the Lake Tahoe Environmental Improvement*  
16 *Program as described in subdivision (c) of Section 79752.*

17 *(j) Of the funds provided in Section 79750, twenty million dollars*  
18 *(\$20,000,000) shall be available to the Department of Conservation*  
19 *for the California Farmland Conservancy Program Act (Division*  
20 *10.2 (commencing with Section 10200) of the Public Resources*  
21 *Code). Up to five million dollars (\$5,000,000) may be used for the*  
22 *Department of Conservation Watershed Coordinator Grant*  
23 *Program.*

24 *(k) Of the funds provided in Section 79750, fifty million dollars*  
25 *(\$50,000,000) shall be available to the secretary for projects in*  
26 *accordance with the California River Parkways Act of 2004*  
27 *(Chapter 3.8 (commencing with Section 5750) of Division 5 of the*  
28 *Public Resources Code). Up to twenty million dollars*  
29 *(\$20,000,000) may be transferred to the department for the Urban*  
30 *Streams Restoration Program pursuant to Section 7048 of the*  
31 *Water Code.*

32 *(l) Of the funds provided in Section 79750, not less than*  
33 *seventy-five million dollars (\$75,000,000) shall be available to*  
34 *the Sierra Nevada Conservancy for grants, loans, direct*  
35 *expenditures, and other purposes and projects consistent with the*  
36 *mission and laws governing the conservancy, including, but not*  
37 *limited to, physical projects, projects for the provision of public*  
38 *access, educational and interpretive activities, projects to improve*  
39 *community sustainability and institutional infrastructure, planning,*

1 *including collaborative public processes, monitoring, and research*  
2 *activities.*

3 *(m) Of the funds provided in Section 79750, one hundred million*  
4 *dollars (\$100,000,000) shall be available for Salton Sea restoration*  
5 *pursuant to subdivision (b) of Section 79752.*

6 *(n) Of the funds provided in Section 79750, ten million dollars*  
7 *(\$10,000,000) shall be available to the Natural Resources Agency*  
8 *for planning for natural resources and watershed protections to*  
9 *address climate change impacts and adaptation.*

10 *(o) Of the funds provided in Section 79750, thirty million dollars*  
11 *(\$30,000,000) shall be available to the Department of Parks and*  
12 *Recreation for grants for watershed education facilities. Of this*  
13 *amount, twenty million dollars (\$20,000,000) shall be available*  
14 *for capital improvements to watershed education centers that serve*  
15 *an urban area with a population of over one million and not less*  
16 *than ten million dollars (\$10,000,000) shall be available for capital*  
17 *improvements to nonprofit facilities that provide watershed,*  
18 *environmental justice, and urban greening education programs*  
19 *to students in the Sacramento City Unified School District and the*  
20 *surrounding area.*

21 *(p) Of the funds provided in Section 79750, ten million dollars*  
22 *(\$10,000,000) shall be deposited in the California Waterfowl*  
23 *Habitat Preservation Account for the purposes of implementing*  
24 *the California Waterfowl Habitat Program described in Article 7*  
25 *(commencing with Section 3460) of Chapter 2 of Part 1 of Division*  
26 *4 of the Fish and Game Code, the California Landowner Incentive*  
27 *Program, and the Permanent Wetland Easement Program.*

28 79756. (a) One hundred million dollars (\$100,000,000) of the  
29 funds provided pursuant to Section 79750 shall be allocated to the  
30 Department of Forestry and Fire Protection for direct expenditures  
31 or grants for fuel treatment and forest restoration projects to protect  
32 watersheds tributary to dams or reservoirs from the adverse impacts  
33 of fire and erosion, to promote forest health in those watersheds,  
34 to protect life and property, to provide for climate change  
35 adaptation, and reduce total wildfire costs and losses. Funds shall  
36 be available in accordance with the following requirements:

37 (1) Sixty-seven million dollars (\$67,000,000) shall be available  
38 to the Department of Forestry and Fire Protection to provide  
39 technical assistance for project development and implementation  
40 and to fund grants to public agencies and nonprofit organizations

1 for the purpose of fuel treatment projects that will reduce wildfire  
2 risks, protect watersheds tributary to water storage facilities, and  
3 promote watershed health.

4 (2) Twenty-five million dollars (\$25,000,000) shall be available  
5 to the Department of Forestry and Fire Protection to provide  
6 technical assistance for project development and implementation,  
7 and for grants and loans for fuel treatment and reforestation projects  
8 to eligible landowners as defined in subdivision (b) of Section  
9 4793 of the Public Resources Code and consistent with the  
10 provisions of the California Forest Improvement Act of 1978.

11 (3) The sum of eight million dollars (\$8,000,000) shall be  
12 available to do all of the following:

13 (A) Reimburse incremental costs to the Department of Forestry  
14 and Fire Protection resulting from implementation of fuel reduction  
15 projects consistent with the provisions of the Vegetation  
16 Management Program established under Article 2 (commencing  
17 with Section 4475) of Chapter 7 of Part 2 of Division 4 of the  
18 Public Resources Code. These projects shall include three or more  
19 pilot projects to utilize the fuels removed for energy production  
20 or other wood product uses.

21 (B) Reimburse costs of conservation camp crews used to conduct  
22 fuel reduction activities, and costs to the Department of Forestry  
23 and Fire Protection for conducting prefire management projects  
24 consistent with the 1996 California Fire Plan or its successor plan.

25 (b) Funding criteria and projects shall demonstrate the linkage  
26 between the project and the protection of watershed health,  
27 protection of watershed storage capacity, maintenance or  
28 enhancement of forest health, protection of life and property, and  
29 greenhouse gas reduction.

30 79757. Of the funds provided in Section 79750, not more than  
31 two hundred fifty million dollars (\$250,000,000) shall be available  
32 for dam removal and related measures in the Klamath River  
33 watershed if the secretary finds that all of the following conditions  
34 have been met:

35 (a) The State of California, the State of Oregon, the United  
36 States, and PacifiCorp have executed a dam removal agreement.

37 (b) The State of California, the State of Oregon, and the United  
38 States have made the determinations required under the agreement  
39 to effect dam removal.

1 (c) Ratepayer funds required by the agreement have been  
2 authorized and will be timely provided.

3 (d) All other conditions required in the agreement have been  
4 met.

5 79758. Of the funds provided in Section 79750, not less than  
6 ~~ten million dollars (\$10,000,000)~~ *twenty million dollars*  
7 *(\$20,000,000)* shall be allocated to Siskiyou County for the purpose  
8 of economic development as defined in Section 13997.2 of the  
9 Government Code. ~~Upon submission of materials by Siskiyou~~  
10 ~~County, the Secretary of Business, Transportation and Housing~~  
11 ~~Agency may authorize up to an additional ten million dollars~~  
12 ~~(\$10,000,000) for economic development if it is determined that~~  
13 ~~a greater amount is necessary to offset the impacts to the economy~~  
14 ~~of Siskiyou County from the removal of the dams.~~

15 79759. ~~Of the funds provided in Section 79750, not less than~~  
16 ~~five million dollars (\$5,000,000) shall be deposited in the~~  
17 ~~California Waterfowl Habitat Preservation Account for the~~  
18 ~~purposes of implementing the California Waterfowl Habitat~~  
19 ~~Program described in Article 7 (commencing with Section 3460)~~  
20 ~~of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code,~~  
21 ~~the California Landowner Incentive Program, and the Permanent~~  
22 ~~Wetland Easement Program.~~

23 79759. *Of the funds provided in Section 79750, the sum of fifty*  
24 *million dollars (\$50,000,000) shall be available, upon*  
25 *appropriation by the Legislature from the fund, to the California*  
26 *State University for the purposes of funding agricultural water*  
27 *supply, water use, efficiency, water quality, and related research*  
28 *and education efforts in accordance with the California State*  
29 *University Water Resources and Policy Initiatives.*

30 79759.5. *Of the funds provided in Section 79750, the sum of*  
31 *fifty million dollars (\$50,000,000) shall be available to the State*  
32 *Coastal Conservancy for projects that meet the requirements of*  
33 *the California Ocean Protection Act (Division 26.5 (commencing*  
34 *with Section 35500) of the Public Resources Code).*

35 79760. Of the funds provided in Section 79750, sixty million  
36 dollars (\$60,000,000) shall be available to the Natural Resources  
37 Agency for projects authorized under Section 3406 (b) (10) of the  
38 Central Valley Project Improvement Act that improve salmonid  
39 fish passage in the Sacramento River watershed.

1 79761. For the purposes of this chapter, the terms “restoration”  
2 and “protection” have the meanings set forth in Section 75005 of  
3 the Public Resources Code.

4  
5  
6  
7

CHAPTER 10. GROUNDWATER PROTECTION AND WATER  
QUALITY

8 79770. (a) The sum of ~~one hundred seventy million dollars~~  
9 ~~(\$170,000,000)~~ *five hundred million dollars (\$500,000,000)* shall  
10 be available, upon appropriation by the Legislature from the fund,  
11 for expenditures, grants, and loans for projects to prevent or reduce  
12 the contamination of groundwater that serves as a source of  
13 drinking water. Projects shall be consistent with an adopted  
14 integrated regional water management plan. Funds appropriated  
15 pursuant to this section shall be available to the State Department  
16 of Public Health for projects necessary to protect public health by  
17 preventing or reducing the contamination of groundwater that  
18 serves as a major source of drinking water for a community.

19 (b) Projects shall be prioritized based upon the following criteria:

20 (1) The threat posed by groundwater contamination to the  
21 affected community’s overall drinking water supplies, including  
22 the need for treatment of alternative supplies if groundwater is not  
23 available due to contamination.

24 (2) The potential for groundwater contamination to spread and  
25 reduce drinking water supply and water storage for nearby  
26 population areas.

27 (3) The potential of the project, if fully implemented, to enhance  
28 local water supply reliability.

29 (4) The potential of the project to increase opportunities for  
30 groundwater recharge and optimization of groundwater supplies.

31 (c) The State Department of Public Health shall give additional  
32 consideration to projects that meet any of the following criteria:

33 (1) The project is implemented pursuant to a comprehensive  
34 basinwide groundwater quality management and remediation plan  
35 or is necessary to develop a comprehensive groundwater plan.

36 (2) Affected groundwater provides a local supply that, if  
37 contaminated and not remediated, will require import of additional  
38 water from outside the region.

39 (3) The project will serve an economically disadvantaged  
40 community or an economically distressed area.

1 (4) The project addresses contamination at a site where the  
2 responsible parties have not been identified, or where the  
3 responsible parties are unwilling or unable to pay for cleanup.

4 (d) Of the amount made available by this section, up to ~~eighty~~  
5 ~~million dollars~~ ~~(\$80,000,000)~~ *one hundred million dollars*  
6 *(\$100,000,000)* shall be available for projects that meet the  
7 requirements of this section and both of the following criteria:

8 (1) The project is part of a basinwide management and  
9 remediation plan for which federal funds have been allocated.

10 (2) The project addresses contamination at a site on the list  
11 maintained by the Department of Toxic Substances Control  
12 pursuant to Section 25356 of the Health and Safety Code or a site  
13 listed on the National Priorities List pursuant to the Comprehensive  
14 Environmental Response, Compensation, and Liability Act of 1980  
15 (42 U.S.C. Sec. 9601 et seq.).

16 ~~(e) Of the amount made available by this section, fifty million~~  
17 ~~dollars (\$50,000,000) shall be available to the State Department~~  
18 ~~of Public Health for grants and direct expenditures to finance~~  
19 ~~emergency and urgent actions in accordance with this section on~~  
20 ~~behalf of disadvantaged communities and economically distressed~~  
21 ~~areas to ensure that safe drinking water supplies are available to~~  
22 ~~all Californians.~~

23 (e) The Legislature, by statute, shall establish both of the  
24 following:

25 (1) Requirements for repayment of grant funds in the event of  
26 cost recovery from parties responsible for the groundwater  
27 contamination.

28 (2) Requirements for recipients of grants to make reasonable  
29 efforts to recover costs from parties responsible for groundwater  
30 contamination.

31 ~~79771. The sum of forty-five million dollars (\$45,000,000)~~  
32 ~~shall be available, upon appropriation by the Legislature from the~~  
33 ~~fund, to the State Department of Public Health for grants and direct~~  
34 ~~expenditures to finance emergency and urgent actions on behalf~~  
35 ~~of disadvantaged communities to ensure that safe drinking water~~  
36 ~~supplies are available to all Californians.~~

37 ~~79772. The sum of ninety-five million dollars (\$95,000,000)~~  
38 ~~shall be available, upon appropriation by the Legislature from the~~  
39 ~~fund, to the State Water Resources Control Board for grants for~~

1 ~~small community wastewater treatment projects to protect water~~  
2 ~~quality that meet all of the following criteria:~~

3 ~~(a) The project is for the planning, design, permitting,~~  
4 ~~construction, or improvement of a wastewater treatment facility,~~  
5 ~~sewer system, or related infrastructure necessary to meet water~~  
6 ~~quality standards or prevent contamination of surface water or~~  
7 ~~groundwater resources.~~

8 ~~(b) The project will serve a community with a population of~~  
9 ~~20,000 or less.~~

10 ~~(c) The project meets other standards that may be established~~  
11 ~~by the State Water Resources Control Board with respect to the~~  
12 ~~design, construction, financing, and operation of the project.~~

13 ~~79773. (a) The sum of one hundred forty-five million dollars~~  
14 ~~(\$145,000,000) shall be available, upon appropriation by the~~  
15 ~~Legislature from the fund, to the State Water Resources Control~~  
16 ~~Board for competitive grants and loans for stormwater management~~  
17 ~~and water quality projects pursuant to this section.~~

18 ~~(b) Eligible projects shall assist in compliance with total~~  
19 ~~maximum daily load (TMDL) implementation plans and be~~  
20 ~~consistent with all applicable waste discharge permits.~~

21 ~~(c) Eligible projects include facilities and infrastructure to~~  
22 ~~reduce, manage, and treat stormwater runoff, including, but not~~  
23 ~~limited to, all of the following:~~

- 24 ~~(1) Detention and retention basins.~~
- 25 ~~(2) Dry weather diversion facilities, trash filters, and screens.~~
- 26 ~~(3) Treatment wetlands creation and enhancement.~~
- 27 ~~(4) Stormwater runoff reduction projects, including permeable~~  
28 ~~surface installation, cisterns, and collection and treatment facilities~~  
29 ~~for groundwater recharge.~~
- 30 ~~(5) Other stormwater management infrastructure for low impact~~  
31 ~~development.~~

32 ~~(d) The board shall require not less than a 50 percent local cost~~  
33 ~~share for grant funds, but may suspend or reduce the matching~~  
34 ~~requirements for disadvantaged communities and economically~~  
35 ~~distressed areas.~~

36 ~~(e) The board shall award grants on a competitive basis,~~  
37 ~~considering the following criteria:~~

- 38 ~~(1) Water quality benefits of the project, including the project's~~  
39 ~~ability to reduce impairment of the receiving water body.~~
- 40 ~~(2) Cost effectiveness.~~

1 ~~(3) Public health benefits of the project.~~

2 ~~(f) Eligible recipients shall include local public agencies and~~  
3 ~~joint powers authorities.~~

4 ~~79774. The sum of forty-five million dollars (\$45,000,000)~~  
5 ~~shall be available, upon appropriation by the Legislature from the~~  
6 ~~fund, to the State Coastal Conservancy for projects that meet the~~  
7 ~~requirements of the California Ocean Protection Act (Division~~  
8 ~~26.5 (commencing with Section 35500) of the Public Resources~~  
9 ~~Code). The conservancy shall allocate the funds to the Ocean~~  
10 ~~Protection Council to make grants to public agencies for projects~~  
11 ~~to protect and improve water quality in areas of special biological~~  
12 ~~significance, as defined in subdivision (f) of Section 36700 of the~~  
13 ~~Public Resources Code.~~

14  
15 CHAPTER 11. WATER RECYCLING PROGRAM

16  
17 ~~79780. The sum of two hundred fifty million dollars~~  
18 ~~(\$250,000,000) *five hundred million dollars (\$500,000,000)* shall~~  
19 ~~be available, upon appropriation by the Legislature from the fund,~~  
20 ~~for grants and loans for water recycling and advanced treatment~~  
21 ~~technology projects, including all of the following:~~

22 (a) ~~Water recycling projects.~~

23 (b) ~~Contaminant and salt removal projects, including~~  
24 ~~groundwater and seawater desalination.~~

25 (c) ~~Dedicated distribution infrastructure for recycled water,~~  
26 ~~including commercial and industrial end-user retrofit projects to~~  
27 ~~allow use of recycled water.~~

28 (d) ~~Pilot projects for new salt and contaminant removal~~  
29 ~~technology.~~

30 (e) ~~Groundwater recharge infrastructure related to recycled~~  
31 ~~water.~~

32 (f) ~~Technical assistance and grant writing assistance for~~  
33 ~~disadvantaged communities.~~

34 ~~79781. Of the funds made available in Section 79780, not less~~  
35 ~~than 40 percent of the total shall be available for grants for~~  
36 ~~advanced treatment water recycling projects that produce at least~~  
37 ~~10,000 acre feet of water a year. For purposes of this section~~  
38 ~~“advanced treatment water recycling” means secondary effluent~~  
39 ~~that is treated by a combined process of microfiltration or~~

1 ~~ultrafiltration, reverse osmosis, and advanced oxidation by means~~  
2 ~~of ultraviolet light and peroxide.~~

3 79782. For projects funded pursuant to the funds made available  
4 pursuant to Section 79780, at least a 50-percent local cost share  
5 shall be required. That cost share may be suspended or reduced  
6 for disadvantaged communities and economically distressed areas.

7 79783. Projects funded pursuant to the funds made available  
8 pursuant to Section 79780 shall be selected on a competitive basis,  
9 considering all of the following criteria:

- 10 (a) Water supply reliability improvement.  
11 (b) Water quality and ecosystem benefits related to decreased  
12 reliance on diversions from the Delta or instream flows.  
13 (c) Public health benefits from improved drinking water quality.  
14 (d) Cost effectiveness.  
15 (e) Energy efficiency and greenhouse gas emission impacts.

16 79784. (a) (1) The sum of two hundred fifty million dollars  
17 (\$250,000,000) shall be available, upon appropriation by the  
18 Legislature from the fund, for direct expenditures, grants, and loans  
19 for water conservation and water use efficiency projects and  
20 programs, including any of the following:

21 (A) Urban water conservation projects and programs, including  
22 regional projects and programs, implemented pursuant to Part 2.55  
23 (commencing with Section 10608) *of Division 6*. Priority for  
24 funding shall be given to programs that do the following:

25 (i) Assist water suppliers and regions to implement conservation  
26 programs and measures that are not locally cost-effective.

27 (ii) Support water supplier and regional efforts to implement  
28 programs targeted to enhance water use efficiency for commercial,  
29 industrial, and institutional water users.

30 (iii) Assist water suppliers and regions with programs and  
31 measures targeted toward realizing the conservation benefits of  
32 implementation of the provisions of the state landscape model  
33 ordinance.

34 (B) Agricultural water use efficiency projects and programs  
35 pursuant to Part 2.8 (commencing with Section 10800) *of Division*  
36 *6*.

37 (C) Agricultural water management plans developed pursuant  
38 to Part 2.8 (commencing with Section 10800) *of Division 6*.

39 (2) Programs and measures undertaken by agencies that are  
40 required to implement only limited conservation requirements

1 under paragraph (3) of subdivision (b) of Section 10608.20 or are  
2 required to perform no more than 5 percent additional conservation  
3 under the requirements of Section 10608.22 are not eligible for  
4 funding under this section.

5 (b) The department shall award grants or loans under this chapter  
6 in a competitive process that considers, as primary factors, the  
7 local and statewide conservation and water use efficiency benefits  
8 of the measures proposed for grants.

9 (c) Section ~~1011~~ 1011 applies to all conservation measures that  
10 an agricultural water supplier or an urban water supplier  
11 implements with funding under this chapter. This subdivision does  
12 not limit the application of Section 101 to any other measures or  
13 projects implemented by a water supplier.

14  
15 CHAPTER 12. FISCAL PROVISIONS  
16

17 79810. (a) Bonds in the total amount of nine billion ~~four~~  
18 ~~hundred million dollars (\$9,400,000,000)~~ *nine hundred ninety*  
19 *million dollars (\$9,990,000,000)*, not including the amount of any  
20 refunding bonds issued in accordance with Section 79822, or so  
21 much thereof as is necessary, may be issued and sold to provide  
22 a fund to be used for carrying out the purposes expressed in this  
23 division and to reimburse the General Obligation Bond Expense  
24 Revolving Fund pursuant to Section 16724.5 of the Government  
25 Code. The bonds, when sold, shall be and constitute valid and  
26 binding obligations of the State of California, and the full faith  
27 and credit of the State of California is hereby pledged for the  
28 punctual payment of both the principal of, and interest on, the  
29 bonds as the principal and interest become due and payable.

30 (b) The Treasurer shall sell the bonds authorized by the  
31 committee pursuant to this section. The bonds shall be sold upon  
32 the terms and conditions specified in a resolution to be adopted  
33 by the committee pursuant to Section 16731 of the Government  
34 Code.

35 79811. The bonds authorized by this division shall be prepared,  
36 executed, issued, sold, paid, and redeemed as provided in the State  
37 General Obligation Bond Law, and all of the provisions of that  
38 law apply to the bonds and to this division and are hereby  
39 incorporated in this division as though set forth in full in this  
40 division, except Section 16727 of the Government Code shall not

1 apply to the extent that it is inconsistent with any other provision  
2 of this division.

3 79812. (a) Solely for the purpose of authorizing the issuance  
4 and sale, pursuant to the State General Obligation Bond Law, of  
5 the bonds authorized by this division, the Safe, Clean, and Reliable  
6 Drinking Water Finance Committee is hereby created. For purposes  
7 of this division, the Safe, Clean, and Reliable Drinking Water  
8 Finance Committee is “the committee” as that term is used in the  
9 State General Obligation Bond Law.

10 (b) The committee consists of the Director of Finance, the  
11 Treasurer, the Controller, the Director of Water Resources, and  
12 the Secretary of the Natural Resources Agency. Notwithstanding  
13 any other provision of law, any member may designate a deputy  
14 to act as that member in his or her place for all purposes, as though  
15 the member were personally present.

16 (c) The Treasurer shall serve as chairperson of the committee.

17 (d) A majority of the members of the committee shall constitute  
18 a quorum of the committee, and may act for the committee.

19 79813. The committee shall determine whether or not it is  
20 necessary or desirable to issue bonds authorized pursuant to this  
21 division to carry out the actions specified in this division and, if  
22 so, the amount of bonds to be issued and sold. Successive issues  
23 of bonds may be authorized and sold to carry out those actions  
24 progressively, and it is not necessary that all of the bonds  
25 authorized to be issued be sold at any one time.

26 79814. “Board,” as defined in Section 16722 of the Government  
27 Code for the purposes of compliance with the State General  
28 Obligation Bond Law, means the department.

29 79815. There shall be collected each year and in the same  
30 manner and at the same time as other state revenue is collected,  
31 in addition to the ordinary revenues of the state, a sum in an amount  
32 required to pay the principal of, and interest on, the bonds each  
33 year, and it is the duty of all officers charged by law with any duty  
34 in regard to the collection of the revenue to do and perform each  
35 and every act which is necessary to collect that additional sum.

36 79816. Notwithstanding Section 13340 of the Government  
37 Code, there is hereby appropriated from the General Fund in the  
38 State Treasury, for the purposes of this division, an amount that  
39 will equal the total of the following:

1 (a) The sum annually necessary to pay the principal of, and  
2 interest on, bonds issued and sold pursuant to this division, as the  
3 principal and interest become due and payable.

4 (b) The sum that is necessary to carry out the provisions of  
5 Section 79819, appropriated without regard to fiscal years.

6 79817. The board may request the Pooled Money Investment  
7 Board to make a loan from the Pooled Money Investment Account  
8 in accordance with Section 16312 of the Government Code for the  
9 purpose of carrying out this division. The amount of the request  
10 shall not exceed the amount of the unsold bonds that the committee  
11 has, by resolution, authorized to be sold for the purpose of carrying  
12 out this division. The board shall execute those documents required  
13 by the Pooled Money Investment Board to obtain and repay the  
14 loan. Any amounts loaned shall be deposited in the fund to be  
15 allocated in accordance with this division.

16 79818. Notwithstanding any other provision of this division,  
17 or of the State General Obligation Bond Law, if the Treasurer sells  
18 bonds that include a bond counsel opinion to the effect that the  
19 interest on the bonds is excluded from gross income for federal  
20 tax purposes under designated conditions, the Treasurer may  
21 maintain separate accounts for the bond proceeds invested and for  
22 the investment earnings on those proceeds, and may use or direct  
23 the use of those proceeds or earnings to pay any rebate, penalty,  
24 or other payment required under federal law or take any other  
25 action with respect to the investment and use of those bond  
26 proceeds, as may be required or desirable under federal law in  
27 order to maintain the tax-exempt status of those bonds and to obtain  
28 any other advantage under federal law on behalf of the funds of  
29 this state.

30 79819. For the purposes of carrying out this division, the  
31 Director of Finance may authorize the withdrawal from the General  
32 Fund of an amount or amounts not to exceed the amount of the  
33 unsold bonds that have been authorized by the committee to be  
34 sold for the purpose of carrying out this division. Any amounts  
35 withdrawn shall be deposited in the fund. Any money made  
36 available under this section shall be returned to the General Fund,  
37 with interest at the rate earned by the money in the Pooled Money  
38 Investment Account, from proceeds received from the sale of bonds  
39 for the purpose of carrying out this division.

1 79820. All money deposited in the fund that is derived from  
 2 premiums and accrued interest on bonds sold pursuant to this  
 3 division shall be reserved in the fund and shall be available for  
 4 transfer to the General Fund as a credit to expenditures for bond  
 5 interest.

6 79821. Pursuant to Chapter 4 (commencing with Section  
 7 16720) of Part 3 of Division 4 of Title 2 of the Government Code,  
 8 the cost of bond issuance shall be paid out of the bond proceeds.  
 9 These costs shall be shared proportionately by each program funded  
 10 through this division.

11 79822. The bonds issued and sold pursuant to this division  
 12 may be refunded in accordance with Article 6 (commencing with  
 13 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of  
 14 the Government Code, which is a part of the State General  
 15 Obligation Bond Law. Approval by the electors of the state for the  
 16 issuance of the bonds under this division shall include approval  
 17 of the issuance of any bonds issued to refund any bonds originally  
 18 issued under this division or any previously issued refunding bonds.

19 79823. The proceeds from the sale of bonds authorized by this  
 20 division are not “proceeds of taxes” as that term is used in Article  
 21 XIII B of the California Constitution, and the disbursement of  
 22 these proceeds is not subject to the limitations imposed by that  
 23 article.

24 79824. Of the nine billion ~~four hundred million dollars~~  
 25 ~~(\$9,400,000,000)~~ *nine hundred ninety million dollars*  
 26 *(\$9,990,000,000)* in bonds authorized in this division, no more  
 27 than four billion ~~seven hundred million dollars~~ *(\$4,700,000,000)*  
 28 *nine hundred ninety-five million dollars* *(\$4,995,000,000)* shall be  
 29 sold by the Treasurer before July 1, 2015.

30 ~~SEC. 3.~~

31 ~~SEC. 2.~~ Section ~~2 I~~ of this act shall be submitted to the voters  
 32 at the November 2, 2010, statewide general election in accordance  
 33 with provisions of the Government Code and the Elections Code  
 34 governing the submission of a statewide measure to the voters.

35 ~~SEC. 4.~~

36 ~~SEC. 3.~~ (a) Section ~~2 I~~ of this act shall take effect only upon  
 37 the approval by the voters of the Safe, Clean, and Reliable Drinking  
 38 Water Supply Act of 2010, as set forth in that section at the  
 39 November 2, 2010, statewide general election.

1 (b) (1) Notwithstanding Section 9051 of the Elections Code or  
2 any other provision of law, the Attorney General shall provide and  
3 return to the Secretary of State a ballot title and summary in  
4 10-point type for all state ballot pamphlets of the November 2,  
5 2010, statewide general election that contains the following title  
6 and summary for \_\_\_\_\_ *Senate Bill 2*, adopted by the  
7 Legislature at the 2009–10 Seventh Extraordinary Session ~~of the~~  
8 ~~Legislature:~~

9 “SAFE, CLEAN, AND RELIABLE DRINKING WATER  
10 SUPPLY ACT OF 2010” and in the same square under those  
11 words:  
12

13 “To protect water quality and ensure safe, clean drinking water;  
14 meet the water supply needs of California residents, farms,  
15 businesses, expand water conservation and recycling; restore fish  
16 and wildlife habitat; reduce polluted runoff that contaminates  
17 rivers, streams, beaches, and bays; and protect the safety of water  
18 supplies threatened by earthquakes and other natural disasters; the  
19 State of California shall issue bonds totaling nine billion ~~four~~  
20 ~~hundred million dollars (\$9,400,000,000)~~ *nine hundred ninety*  
21 *million dollars (\$9,990,000,000)* paid from existing state funds at  
22 an average cost of \_\_\_\_\_ per year over the 30-year life  
23 of the bond, subject to independent, annual audits, and citizen  
24 oversight.”  
25

26 (2) The language in paragraph (1) shall be the only language  
27 included in the title and summary for \_\_\_\_\_ *Senate Bill*  
28 *2*, adopted by the Legislature at the 2009–10 ~~Regular~~ *Seventh*  
29 *Extraordinary* Session, and the Attorney General shall not  
30 supplement, subtract from, or revise that language.

31 (3) Notwithstanding any other provision of law, including  
32 Sections 9050, 9051, 13247, 13262, and 13281 of the Elections  
33 Code, the language in paragraph (1) for the title and summary shall  
34 also be the language included in the ballot label for the condensed  
35 statement of the ballot title, and the Attorney General shall not  
36 supplement, subtract from, or revise that language, except that the  
37 Attorney General may include the fiscal impact summary prepared  
38 pursuant to Section 9087 of the Elections Code and Section 88003  
39 of the Government Code. The ballot label is the condensed  
40 statement of the ballot title and the financial impact summary.

1 (c) Opposite the square, there shall be left spaces in which the  
2 voters may place a cross in the manner required by law to indicate  
3 whether they vote for or against the act.

4 (d) Where the voting in the election is done by means of voting  
5 machines used pursuant to law in the manner that carries out the  
6 intent of this section, the use of the voting machines and the  
7 expression of the voters' choices by means thereof are in  
8 compliance with this section.

9 ~~SEC. 5.~~

10 *SEC. 4.* This act is an urgency statute necessary for the  
11 immediate preservation of the public peace, health, or safety within  
12 the meaning of Article IV of the Constitution and shall go into  
13 immediate effect. The facts constituting the necessity are:

14 In order to fund a safe, clean, and reliable water supply at the  
15 earliest possible date, it is necessary that this act take effect  
16 immediately.

O